

Gridley Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000

<u>line</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 2,240,891	\$ 29,843	\$ 2,270,734
2	Materials and Supplies Inventory	Page 2, 13-Month Average	56,712		56,712
3	Customer Deposits	Form 23A, P 8, 4040	1,357	-	1,357
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			2,326,089
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	2,160,506	-	2,160,506
8	Less: Depreciation Expense	Form 23A, P 13, 6560	601,265	-	601,265
9	Total WC Operating Expense	line 7 - line 8	1,559,241	-	1,559,241
10	WC OE Requirement	line 9 * 45 / 360			194,905
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			194,905
13	Total Rate Base	line 5 + line 12			2,520,994
14	Total Operating Revenues	Form 23A, P 11, Total	2,926,532	(221,106)	2,705,426
15	Less: Illinois High Cost Fund		586,344	-	586,344
16	Net Operating Revenues	line 14 - line 15	2,340,188	(221,106)	2,119,082
17	Total Operating Expenses	Form 23A, P 14, Total	2,160,506	-	2,160,506
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	11,472	-	11,472
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	168,210	(221,106)	(52,896)
21	Income Tax Expense	line 34			(20,491)
22	Net Operating Income	line 20 - line 21			(32,405)
23	Return on Rate Base	line 22 / line 13			-1.29%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			282,603
26	Adj to Achieve Target Return on RB	line 25 - line 22			315,008
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			514,219
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			(52,896)
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			(3,798)
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			(49,098)
33	Federal Income Tax Expense	line 32 * 34.00%			(16,693)
34	Total Imputed Income Tax Expense	line 31 + line 33			(20,491)
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

Gridley Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000
Material & Supplies Worksheet and Other Information

Line #

1	December-99	\$43,392
2	January-00	\$43,392
3	February-00	\$46,189
4	March-00	\$46,189
5	April-00	\$47,032
6	May-00	\$53,924
7	June-00	\$53,753
8	July-00	\$68,996
9	August-00	\$69,798
10	September-00	\$76,756
11	October-00	\$73,007
12	November-00	\$77,881
13	December-00	\$36,944
14	13 Month Average	\$56,712

Sale/Lease Back Arrangement
☒

The company does not have any sale(s)/lease back arrangement.

☐

The company does have sale(s)/lease back arrangement and has provided additional information to staff.

Lease Agreement with Affiliates
☒

The company does not have any lease agreements with affiliates.

☐

The company does have lease agreements with affiliates and has provided additional information to staff.

Trial Balances

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

Gridley Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000
Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 213,125
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 194,928
3	State Access Revenues	Trial Balance 12/31/00	\$ 271,958
4	State High Cost Support	Exhibit X, Line 15	\$ 586,344
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 386,173
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 1,652,528
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 74,177
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 418,556
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 409,037
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 277,421
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 1,179,191
12	Misc Revenues	Trial Balance 12/31/00	\$ 94,813
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 2,926,532</u>